



**Notice to  
shareholders**  
*2021 Annual  
General Meeting*

**CORONATION**

TRUST IS EARNED™



# Contents

<b>LETTER TO THE SHAREHOLDERS</b>	1
<b>OUR BUSINESS</b>	2
<b>2020 AT A GLANCE</b>	4
<b>NOTICE TO SHAREHOLDERS</b>	6
<b>ANNEXURE 1</b>	
<b>- DIRECTORS' RESPONSIBILITY REPORT</b>	15
<b>ANNEXURE 2</b>	
<b>- CORONATION FUND MANAGERS LIMITED SUMMARY CONSOLIDATED ANNUAL FINANCIAL STATEMENTS</b>	16
<b>ANNEXURE 3</b>	
<b>- ANALYSIS OF SHAREHOLDERS</b>	28
<b>ANNEXURE 4</b>	
<b>- DIRECTORS UP FOR RE-ELECTION AND CONFIRMATION OF APPOINTMENT</b>	30
<b>ANNEXURE 5</b>	
<b>- MEMBERS OF THE AUDIT AND RISK COMMITTEE</b>	32
<b>PARTICIPATION IN THE AGM VIA ELECTRONIC COMMUNICATION</b>	33
<b>COMPANY INFORMATION</b>	34
<b>FORM OF PROXY</b>	Attached



# Letter to the shareholders

## **Dear shareholder**

The Covid-19 pandemic and the economic consequences of the unprecedented national lockdown have marked the period under review as a defining point in human history. The pandemic has impacted every aspect of society and few businesses were unaffected. In spite of this extraordinary operating environment, Coronation is privileged to remain fully operational throughout lockdown and has delivered a positive set of financial results, while continuing to offer clients world-class service and playing our part in the nation's Covid-19 relief efforts.

Enclosed herewith is a detailed notice of the 47th annual general meeting (AGM or Meeting) of Coronation Fund Managers Ltd (Coronation, or the Company, or the Group), to be held electronically on Wednesday, 17 February 2021, at 14:00.

Inside this document you will find the Notice to Shareholders (Notice), which includes the list of resolutions for consideration, the form of proxy and the electronic participation form. We have also included annexures for your information, including, but not limited to, a summary of the 2020 consolidated annual financial statements.

The 2020 Integrated Annual Report and annual financial statements are available for download on our website, [www.coronation.com](http://www.coronation.com). Should you wish to receive an electronic copy of either document, please email me at [NHawa@coronation.com](mailto:NHawa@coronation.com).

## **A request to limit environmental impact**

The impact of printing materials on the environment is significant and as a responsible corporate citizen we would like to cease any printing that could otherwise be avoided. If you are a shareholder and still receive this Notice in printed format rather than electronically, kindly forward your contact details and email address to our transfer secretaries, Computershare, via [ecomms@computershare.co.za](mailto:ecomms@computershare.co.za).

Yours sincerely

**Nazrana Hawa**

Company Secretary

23 December 2020



# Our business

We have been growing long-term wealth for our institutional and personal investment clients for 27 years. As a committed corporate citizen, we have also been active in the transformation of the financial services sector and South African society, empowering our employees and benefiting the communities in which we operate.

## A PROUD SOUTH AFRICAN COMPANY

As one of the largest independent asset managers in South Africa, we invest the long-term savings of millions of South Africans. Our clients include individuals, retirement funds, medical schemes and financial institutions. We also manage assets for several leading international retirement funds, endowments and family offices.

The purpose of our business is to deliver investment excellence to our clients and stakeholders. This is underpinned by five strategic pillars, namely: excellent long-term performance, building a leading global investment capability, world-class client service, active corporate citizenship, and effective governance. Our culture and values are important factors in delivering on our commitment to be responsible stewards of our clients' assets, and we understand that we have been granted a social licence to operate. We earn this in the ways in which we invest and operate. We achieve this through considering environmental, social and governance (ESG) factors in our investment decision-making process, our corporate citizenry and corporate social investment (CSI) projects.

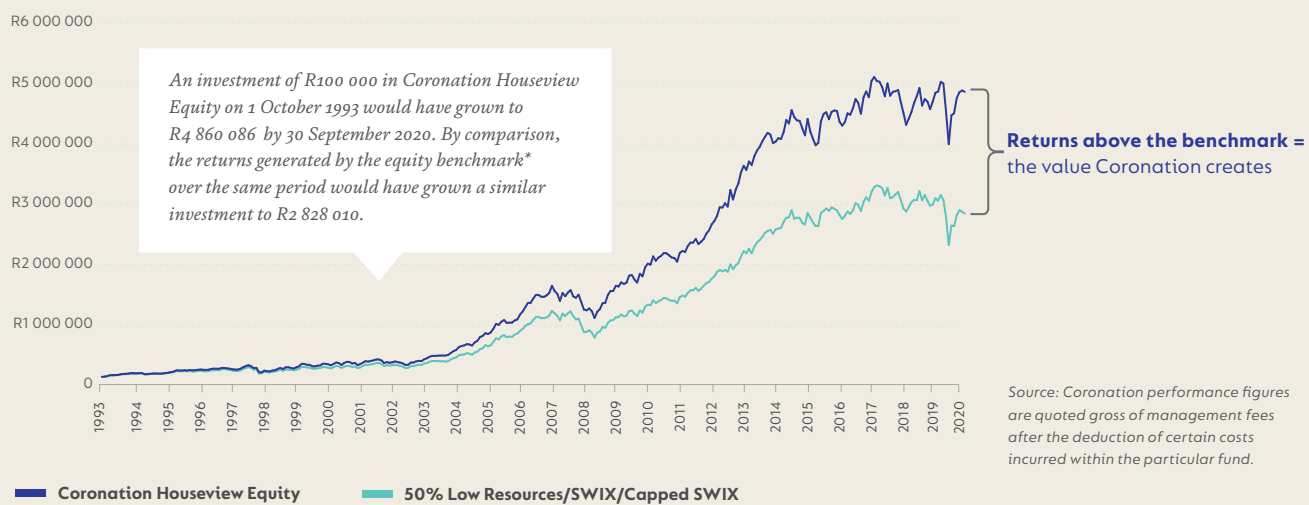
## STRONG LONG-TERM INVESTMENT OUTPERFORMANCE

Our ability to deliver attractive and sustainable financial outcomes for clients is evidenced by long-term performance across our fund range, which remains compelling. Of our institutional portfolios, 95% have outperformed their benchmarks since inception<sup>1</sup>.

VALUE CREATED BY OUR HOUSEVIEW EQUITY STRATEGY

# 72%

more than the benchmark since inception



<sup>1</sup> As at 30 September 2020; institutional domestic funds with a 10-year+ history.  
\* FTSE/JSE Capped Shareholder Weighted Index from 01 May 2017. Previously 50% Resources (inception to 31 January 2002) and FTSE/JSE Shareholder Weighted Index (01 February 2002 to 30 April 2017).

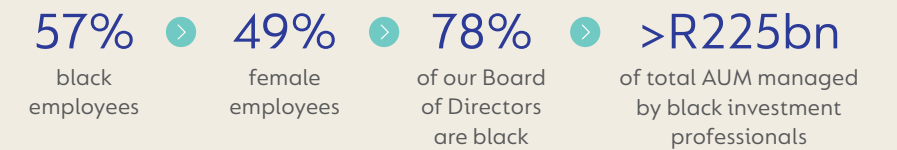
## TRANSFORMING OUR BUSINESS EVERY DAY

### Transforming our business from within

We are a proud South African business.



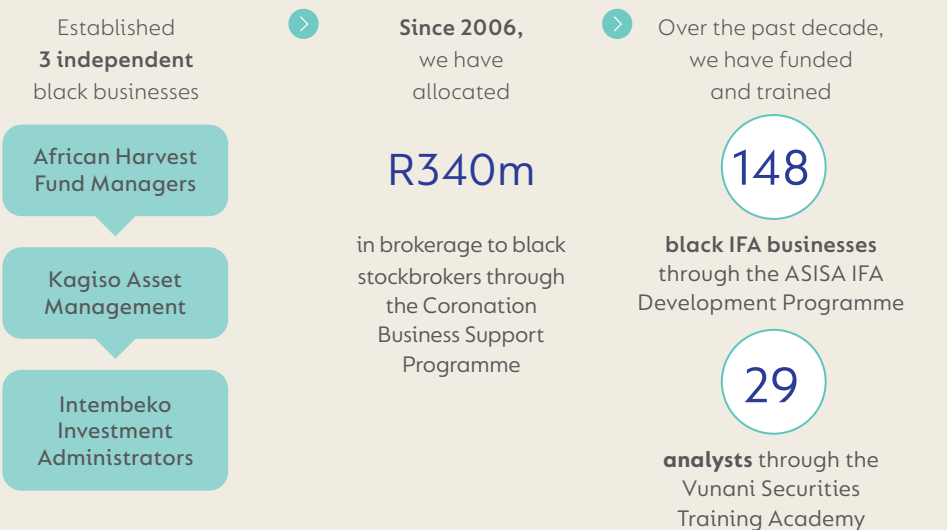
Successfully recruited, trained and retained exceptional black and female talent across our business since 1993.



Transformation figures refer to South African-based employees, as at 30 September 2020.

### Advancing transformation in our industry

Pre-dating BEE legislation in South Africa, we pioneered corporate initiatives that have contributed to meaningful transformation and the development of skills in the financial services industry.



\* As measured by the revised Financial Sector Code. All figures are as at 30 September 2020, unless otherwise stated.

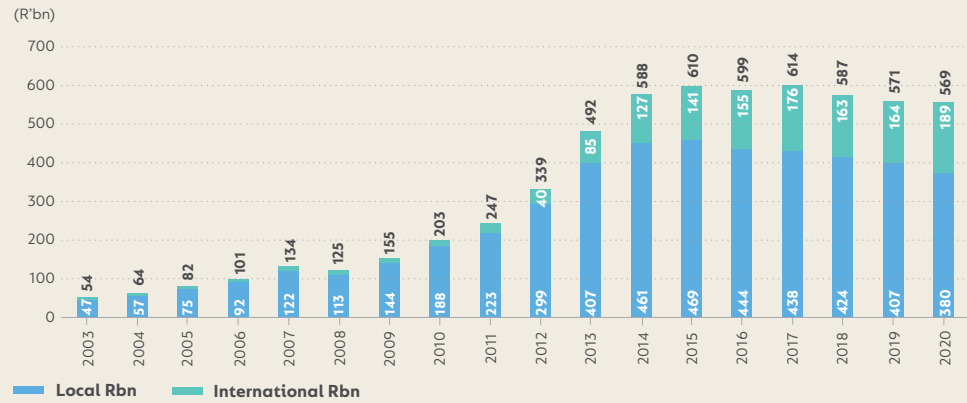


# 2020 at a glance

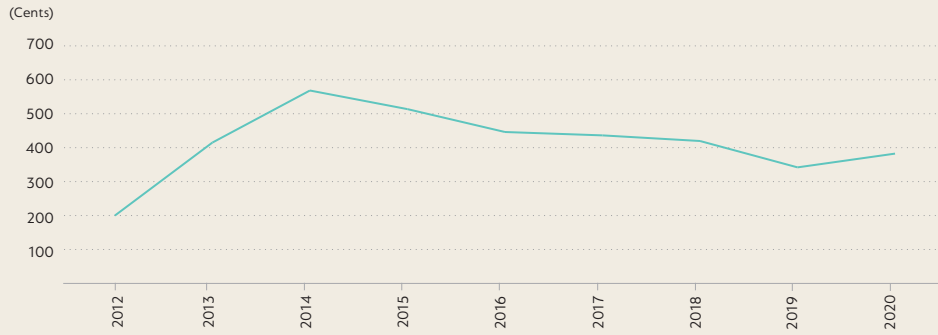
DILUTED HEADLINE EARNINGS PER SHARE  
**398.5c**

COST-TO-INCOME RATIO  
**53.7%**

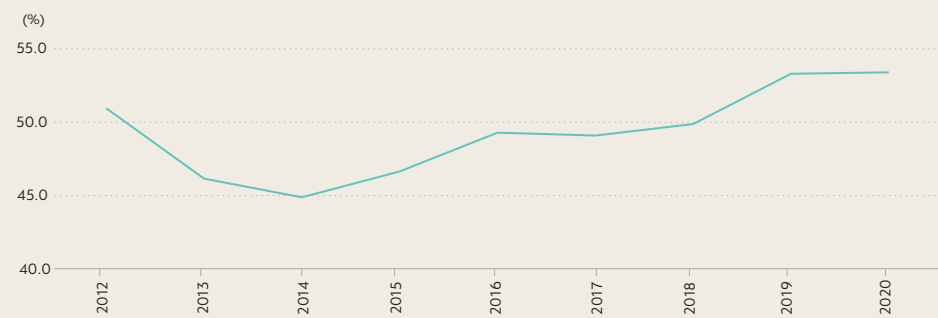
## ASSETS UNDER MANAGEMENT



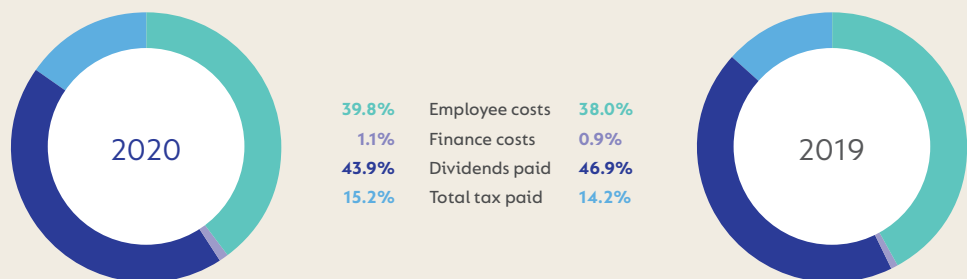
## DILUTED HEADLINE EARNINGS PER SHARE



## COST-TO-INCOME RATIO



## VALUE ALLOCATION TO STAKEHOLDERS



WE INVEST

**R251bn**  
on behalf of South African institutional clients

WE INVEST

**R79bn**  
on behalf of international retirement funds, endowments and family offices

WE INVEST

**R239bn**  
on behalf of investors in unit trusts, retirement annuities, provident funds and tax-free investments

## INSTITUTIONAL BUSINESS

Our institutional business manages R330 billion of assets (September 2019: R331 billion) on behalf of South African and global institutions.

### South African Institutional Business

We continue to manage a meaningful share of assets in the local retirement fund industry, representing a total AUM of R251 billion (September 2019: R265 billion), making us one of the largest independent managers of retirement assets in the country. Net outflows were in line with our estimate of those experienced by the South African asset management industry, which we believe is a good outcome given the current economic challenges facing the savings industry. We expect outflows to continue to be impacted by ongoing shrinkage in the local savings pool, which is exacerbated by financially distressed employers having to retrench employees or reduce their remuneration. Over the short term, contributions will also be affected by the reprieve from retirement fund contributions. From a performance perspective, we are pleased to see strong long-term returns generated across all our client portfolios and our ability to add value via active management is evident in:

- ▶ Clients representing more than 50% of our total institutional assets have been invested with Coronation for more than 10 years.
  - › Of these client assets, 95% have outperformed their benchmarks since inception.<sup>1</sup>
- ▶ 97% of our institutional portfolios with 15-year and 20-year track records have delivered positive active returns over that period.

<sup>1</sup> On an asset-weighted basis.

### Global Institutional Business

We manage a total of R79 billion (September 2019: R66 billion) in our global strategies on behalf of several leading international retirement funds, endowments and family offices. For the reporting period, net outflows were marginal. Following very strong performance in the 2019 calendar year, we have experienced inflows into the Global Emerging Markets Strategy, as clients seek to take advantage of the potential upside inherent in the current market volatility.

- ▶ Coronation Global Emerging Markets Strategy has delivered an active return of 4.4% p.a. since its inception in 2008.
- ▶ Coronation Africa Frontiers Strategy has delivered an active return of 4.4% p.a. since its inception in 2008.

All institutional performance returns are stated gross of fees.

## RETAIL BUSINESS

With retail assets totalling R239 billion (September 2019: R240 billion), we are a leading independent manager of South Africa's household savings and investments. AUM recovered strongly in the second half of the financial year and our retail fund range delivered good relative performance over this period. We experienced net outflows of 5.6% of our opening balance (September 2019: 5.4%). Net client cash flows from longer-term funds were broadly in line with the retail investment industry experience, but while we achieved net inflows into our managed income and near-cash solutions, the level of inflows in this category lagged the overall industry experience. We expect net client cash flows to remain under pressure given the growth constraints faced by the South African economy, coupled with household financial stress and a general lack of domestic investor confidence. Despite a challenging environment, the long-term track records of our fund range remain compelling. Of our rand-denominated unit trust funds, 16 out of 23 rank first in their respective ASISA categories since their inception dates. This includes:

- ▶ Coronation Balanced Plus, a leading traditional balanced fund in South Africa, outperforming peers, inflation and the FTSE/JSE All Share Index since its inception in 1996;
- ▶ Coronation Top 20, our concentrated domestic equity fund, delivering an annualised return of 16.2% since inception in 2000. This resulted in a total period return of double the domestic index for an investment made at inception;
- ▶ Coronation Optimum Growth, the top-performing fund in the worldwide flexible category, returning 14.8% p.a. since its inception in 1999; and
- ▶ 86% of our unit trust funds, on an asset-weighted basis, producing first quintile performance in their respective ASISA categories over the past 10 years.



# Notice to shareholders

*Download Coronation's 2020 Integrated Annual Report at [www.coronation.com](http://www.coronation.com)*

Coronation Fund Managers Ltd  
(Incorporated in the Republic of South Africa)  
(Registration number 1973/009318/06)  
ISIN: ZAE000047353 Share code: CML  
LEI: 3789001BC9A294E6FF77

Notice is hereby given that the 47th AGM of Coronation Fund Managers Ltd (the Company) will be conducted, subject to any cancellation, postponement and adjournment, entirely by electronic communication as permitted by the Companies Act, No 71 of 2008 (the Act), as amended, and by the Company's memorandum of incorporation (MOI), on Wednesday, 17 February 2021, at 14:00.

## **IMPACT OF COVID-19 ON THE AGM – ELECTRONIC PARTICIPATION**

As a result of the Covid-19 outbreak, and guidance from authorities regarding the need for social distancing, the AGM will be conducted entirely by electronic communication. Shareholders or their duly appointed proxy(ies) who wish to participate in the AGM via electronic communication (Participant(s)) must either:

1. register online using the online registration portal at [www.smartagm.co.za](http://www.smartagm.co.za); or
2. apply to Computershare, by delivering the duly completed electronic participation form to: First Floor, Rosebank Towers, 15 Biermann Avenue, Rosebank 2196, or posting it to Private Bag x9000, Saxonwold, 2132 (at the risk of the Participant), or sending it by email to [proxy@computershare.co.za](mailto:proxy@computershare.co.za) so as to be received by Computershare by no later than 14:00 on Monday, 15 February 2021.

The electronic participation form can be found as an insert in this Notice of the AGM. Computershare will first validate such requests and confirm the identity of the shareholder in terms of section 63(1) of the Act, and, if the request is validated, further details on using the electronic communication facility will be provided. The Company will inform Participants who notified Computershare of their intended participation in accordance with paragraph 1 under Participation in the AGM via electronic communication, on page 33 of this Notice of AGM, by no later than 14:00 on Tuesday, 16 February 2021 by emailing the relevant details through which Participants can participate electronically.

The record date to receive notice of the AGM, determined in accordance with section 59(1)(a) of the Act, is Friday, 11 December 2020, being the date on which a person must be registered as a shareholder of the Company for purposes of being entitled to receive notice of the Meeting. The record date to participate in and vote at the Meeting, determined in accordance with section 59(1)(b) of the Act, is Friday, 12 February 2021, being the date on which a person must be registered as a shareholder of the Company for purposes of being entitled to participate in and vote at the Meeting. The last day to trade to be able to participate in and vote at the Meeting is Tuesday, 9 February 2021.

Kindly note that, in accordance with section 63(1) of the Act, participants (including proxies) are required to provide satisfactory identification before being entitled to attend or participate in a shareholders meeting. In addition, the person presiding at the Meeting must be reasonably satisfied that the right of that person to participate and vote, either as a shareholder or proxy, has been reasonably verified. Suitable forms of identification include a valid identity document, a driver's licence or a passport.

The purpose of the Meeting is to transact the business set as follows.

## **1. PRESENTATION OF THE AUDITED ANNUAL FINANCIAL STATEMENTS**

The audited annual financial statements of the Company for the year ended 30 September 2020, together with the reports by the directors, the external auditor and the Audit and Risk Committee, were approved by the Board of Directors of the Company (the Board) and are available on the Company's website, [www.coronation.com](http://www.coronation.com). Alternatively, a copy may be requested and obtained in person, at no charge, at the registered office of the Company during office hours. A summarised version of the audited annual financial statements is included in Annexure 2 to this Notice.

## **2. PRESENTATION OF SOCIAL, ETHICS AND TRANSFORMATION COMMITTEE REPORT**

In accordance with regulation 43(5)(c) of the Companies Regulations, 2011, the Social, Ethics and Transformation (SET) Committee of the Board will report, through one of its members, to the shareholders at the Meeting on the matters within its mandate.

## **3. TO CONSIDER AND, IF DEEMED FIT, APPROVE, WITH OR WITHOUT MODIFICATION, THE FOLLOWING ORDINARY AND SPECIAL RESOLUTIONS:**

### **Ordinary resolutions**

#### **3.1 Retirement and re-election of directors**

##### **Ordinary resolution number 1**

- a) To re-elect, by way of a separate vote, Ms Judith February, who retires by rotation in accordance with the provisions of the Company's MOI and who is eligible and available for re-election.
- b) To re-elect, by way of a separate vote, Mr Anton Pillay who retires by rotation in accordance with the provisions of the Company's MOI and who is eligible and available for re-election.
- c) To re-elect, by way of a separate vote, Mr John (Jock) McKenzie who retires by rotation in accordance with the provisions of the Company's MOI and who is eligible and available for re-election.

A profile in respect of each candidate is set out in Annexure 4 to this Notice. The re-election of the candidates, as set out in ordinary resolution number 1, will be conducted by way of a separate vote in respect of each individual, who shall be re-elected if the majority of the voting rights exercised support the re-election of the candidate.

##### **Explanatory note**

The reason for ordinary resolution number 1 is to re-elect the directors who retire by rotation in terms of the MOI of the Company, read with the Listings Requirements of the JSE Limited (Listings Requirements).

## 3.2 Confirmation of appointment of directors

### Ordinary resolution number 2

- a) To confirm and approve, by way of a separate vote, the appointment of Mr Neil Brown who was appointed to the Board on 19 October 2020 to fill a vacancy in the period since the last AGM of the Company.
- b) To confirm and approve, by way of a separate vote, the appointment of Mr Phakamani Hadebe, who was appointed to the Board on 19 October 2020 to fill a vacancy in the period since the last AGM of the Company.
- c) To confirm and approve, by way of a separate vote, the appointment of Mr Saks Ntombela, who was appointed to the Board on 19 October 2020 to fill a vacancy in the period since the last AGM of the Company.

The confirmation of appointment of the candidates, as set out in ordinary resolution number 2, will be conducted by way of a separate vote in respect of each individual, whose appointment shall be confirmed if the majority of the voting rights exercised support the appointment of the candidate.

### Explanatory note

The reason for ordinary resolution number 2 is that the MOI of the Company, the Listings Requirements and the Act require that any director appointed by the Board of the Company be confirmed by the shareholders at the next AGM of the Company.

## 3.3 Appointment of auditor and designated audit partner

### Ordinary resolution number 3

To appoint, as recommended by the Audit and Risk Committee of the Company, KPMG Incorporated (KPMG), as the Company's registered auditor for the financial year ending 30 September 2021 or until the next AGM of the Company, whichever is the later, with the designated audit partner being Mr Zola Beseti.

### Explanatory note

The reason for ordinary resolution number 3 is that the Company, being a public company listed on the JSE Limited, a licensed exchange, must have its annual financial statements audited and such auditor must be appointed or re-appointed, as the case may be, at each AGM of the Company as required by the Act and the Listings Requirements. In line with Coronation's decision to be an early adopter of mandatory audit firm rotation, 2020 is EY's final year as Coronation's external auditor. EY has been the Company's external auditor for 10 years. Following the conclusion of a tender process, the Audit and Risk Committee has recommended, and the Board has endorsed, the proposed appointment of KPMG as the external auditor of Coronation, with effect from the financial year ending 30 September 2021.

## 3.4 Re-election of the members of the Audit and Risk Committee

### Ordinary resolution number 4

To re-elect the Audit and Risk Committee members of the Company's Board, by way of separate votes, as required in terms of the Act. The following individuals are recommended for re-election to the Audit and Risk Committee:

- a) Prof Alexandra Watson
- b) Mrs Lulama Boyce
- c) Mr John David (Jock) McKenzie
- d) Dr Hugo Anton Nelson

A profile in respect of each candidate recommended for re-election to the Audit and Risk Committee is set out in Annexure 5 to this Notice. The re-election of the candidates of the Audit and Risk Committee will be conducted by way of a separate vote in respect of each individual.



#### **Explanatory note**

The reason for ordinary resolution number 4 is that the Company, being a public company listed on the JSE, must appoint an audit committee. The members of the Audit and Risk Committee are required to be appointed or re-appointed, as the case may be, at each AGM of the Company in terms of the Act.

### **3.5 Non-binding advisory vote on the Company's Remuneration Policy**

#### **Ordinary resolution number 5**

To consider and endorse, by way of a non-binding advisory vote, the Company's Remuneration Policy, as set out in the Integrated Annual Report which is available on [www.coronation.com](http://www.coronation.com).

#### **Explanatory note**

The Company's Remuneration Policy has been tabled for a non-binding advisory vote at the Meeting to allow shareholders an opportunity to express their views on the Remuneration Policy adopted by the Company by casting their vote thereon. The vote is of an advisory nature only and will not be binding. However, the Board will take the outcome of the vote into consideration when considering amendments to the Company's Remuneration Policy. In the event that 25% or more of the shareholders vote against the Company's Remuneration Policy, the Company will follow an engagement process with shareholders.

### **3.6 Non-binding advisory vote on the Company's Remuneration Policy Implementation Report for the year ended 30 September 2020**

#### **Ordinary resolution number 6**

To consider and endorse, by way of a non-binding advisory vote, the Company's Remuneration Policy Implementation Report for the year ended 30 September 2020, as set out in the Integrated Annual Report, which is available on [www.coronation.com](http://www.coronation.com).

#### **Explanatory note**

The Company's Remuneration Policy Implementation Report has been tabled for a non-binding advisory vote at the Meeting to allow shareholders an opportunity to express their views on the Remuneration Policy Implementation Report adopted by the Company by casting their vote thereon. The vote is of an advisory nature only and will not be binding. However, the Board will take the outcome of the vote into consideration when considering amendments to the Company's Remuneration Policy Implementation Report. In the event that 25% or more of the shareholders vote against the Company's Remuneration Policy Implementation Report, the Company will follow an engagement process with shareholders.

## **Special resolutions**

### **3.7 Intercompany financial assistance**

#### **Special resolution number 1**

To approve, as a general approval, that the Board may authorise the Company to provide any direct or indirect financial assistance to any company or corporation that is related or interrelated to the Company (with 'related' and 'interrelated' having the meanings ascribed thereto in section 2 of the Act) (as contemplated in and subject to the provisions of section 45 of the Act) as the Board may deem fit.

#### **Explanatory note**

To grant the Board the authority to provide direct or indirect financial assistance to any company or corporation which is related or interrelated to the Company. This means that the Company is authorised to, for example, grant loans to its subsidiaries and to guarantee the debt of subsidiaries. For the avoidance of doubt, this special resolution, if approved, does not authorise the Company to provide financial assistance to any director, prescribed officer or shareholder of the Company.

### 3.8 Financial assistance for intercompany share or option transactions

#### Special resolution number 2

To approve, as a general approval, that the Board may authorise the Company to provide any direct or indirect financial assistance, for the purpose of, or in connection with, the subscription or purchase of any option, or any shares or other securities in the Company or in a related or interrelated company (with 'related' and 'interrelated' having the meanings ascribed thereto in section 2 of the Act) as contemplated in, and subject to, the provisions of section 44 of the Act, to any company or corporation that is related or interrelated to the Company and/or to any financier that provides funding by acquiring preference shares or other securities in the Company or in any company or corporation that is related or interrelated to the Company, on the terms and for the amounts that the Board may determine.

#### Explanatory note

To grant the Board of the Company the authority to provide direct or indirect financial assistance to any company or corporation that is related or interrelated to the Company and/or to provide security to any financier for the purposes of, or in connection with, the subscription or purchase of options, shares or other securities in the Company or in any related or interrelated company. This means that the Company is, inter alia, authorised to guarantee and furnish other security for the obligations of subsidiaries where the financial assistance is directly or indirectly related to a party acquiring options, shares or other securities in the Company or in a subsidiary of the Company. A typical example of where the Company would rely on this authority is where a subsidiary raises funds by issuing preference shares to a third-party funder and the Company is required to issue a guarantee or other security to the third-party funder for the subsidiary's obligations arising from the preference shares.

The Company has no immediate plans to use this authority but is obtaining same in the interests of prudence and good corporate governance should the unforeseen need arise to use the authority. For the avoidance of doubt, this special resolution, if approved, does not authorise the Company to provide financial assistance to any director, prescribed officer or shareholder of the Company for the purpose of, or in connection with, the acquisition of shares in the Company or in any of its subsidiary companies.

In terms of and pursuant to the provisions of sections 44 and 45 of the Act, the directors of the Company confirm that the Board will satisfy itself, after considering all reasonably foreseeable financial circumstances of the Company, that immediately after providing any financial assistance as contemplated in special resolutions numbers 1 and 2 above:

- ▶ the assets of the Company (fairly valued) will equal or exceed the liabilities of the Company (fairly valued) (taking into consideration the reasonably foreseeable contingent assets and liabilities of the Company); and
- ▶ the Company will be able to pay its debts as they become due in the ordinary course of business for a period of 12 months.

In addition, the Board will only approve the provision of any financial assistance contemplated in special resolutions numbers 1 and 2 above, where:

- ▶ the Board is satisfied that the terms under which any financial assistance is proposed to be provided, will be fair and reasonable to the Company; and
- ▶ all relevant conditions and restrictions (if any) relating to the granting of financial assistance by the Company as contained in the Company's MOI have been met.

### 3.9 Remuneration of non-executive directors

#### Special resolution number 3

To approve the remuneration to be paid by the Company to its non-executive directors for their services as directors which includes serving on various sub-committees and to make payment of the amounts set out below (plus any value-added tax, to the extent applicable), provided that this authority will be valid until the next AGM of the Company:

	YEAR ENDING 30 SEPTEMBER 2021 R'000 (EXCLUDING VALUE-ADDED TAX)	YEAR ENDING 30 SEPTEMBER 2020 R'000 (EXCLUDING VALUE-ADDED TAX)
Basic annual fee	141.0	134.0
<b>Attendance fees per meeting</b>		
Board – Chairman	112.0	107.0
Board – lead independent non-executive director	73.0	69.0
Board – member	64.0	60.5
Audit and Risk Committee – chairperson	106.0	101.0
Audit and Risk Committee – member	64.0	60.5
SET Committee – chairperson	78.0	74.0
SET Committee – member	64.0	60.5
Remuneration Committee – chairperson	78.0	74.0
Nominations Committee – chairperson	78.0	74.0
Remuneration and Nominations Committee – member	64.0	60.5
Invitee fees for all committees – non-executive director	31.0	29.75

#### Explanatory note

To approve the remuneration to be paid for the year ending 30 September 2021 by the Company to non-executive directors of the Company, as required in terms of section 66(9) of the Act.

### 3.10 Share repurchases by the Company and its subsidiaries

#### Special resolution number 4

To approve that the Board be hereby authorised, by way of a renewable general authority, to approve the purchase by the Company of its own ordinary shares or to approve the purchase of ordinary shares in the Company by any subsidiary of the Company at such price, and in such manner and subject to such terms and conditions as the Board may deem fit, provided that:

- ▶ this general authority shall be valid until the Company's next AGM or for 15 months from the date of this resolution, whichever period is shorter;
- ▶ the ordinary shares shall be purchased through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the Company and/or the Company's relevant subsidiary and the counterparty from whom the shares are purchased;
- ▶ an announcement complying with paragraph 11.27 of the Listings Requirements shall be published by the Company (i) when the Company and/or its subsidiaries have cumulatively acquired 3% of the ordinary shares in issue as at the time that the general authority was given (the initial number); and (ii) for each 3% in aggregate of the initial number of ordinary shares acquired by the Company and/or its subsidiaries thereafter;
- ▶ the general repurchase by the Company of its own ordinary shares shall not in the aggregate in any one financial year exceed 20% of the Company's issued share capital of that class, and the acquisition of ordinary shares as treasury stock by a subsidiary of the Company shall not exceed 10% in the aggregate of the number of issued shares in the Company;

- repurchases are not to be made at a price more than 10% above the weighted average of the market price for the ordinary shares for the five business days immediately preceding the date upon which the transaction is effected. The JSE will be consulted for a ruling if the Company's securities have not traded in such five-business day period;
- at any point in time, the Company may only appoint one agent to effect any repurchase on the Company's behalf or on behalf of any of its subsidiaries;
- a resolution has been passed by the Board approving the repurchase, that the company and its subsidiaries (the Group) have satisfied the solvency and liquidity test as defined in the Act and that, since the solvency and liquidity test was applied, there have been no material changes to the financial position of the Group.
- the Company and its subsidiaries do not repurchase ordinary shares during a prohibited period (as defined in the Listings Requirements), unless it has in place a repurchase programme where the dates and quantities of securities to be traded during the relevant period are fixed (not subject to any variation) and has been submitted to the JSE in writing prior to the commencement of the Company's prohibited period. The Company will instruct an independent third party, which makes its investment decisions in relation to the Company's securities independently of, and uninfluenced by, the Company, prior to the commencement of the prohibited period to execute the repurchase programme submitted to the JSE; and
- such repurchase shall be subject to compliance with the Act, the Company's MOI and the Listings Requirements.

#### **Explanatory note**

To grant the Board the general authority to authorise the Company and/or any of its subsidiaries to acquire shares in the Company, should the Board consider it appropriate in the circumstances. The effect of special resolution number 4 is that the Board will be granted the general authority, subject to the provisions set out in the resolution, to acquire shares in the Company, should it deem it appropriate in the circumstances and should the Company comply with the relevant statutes and authority applicable thereto.

The Board, as at the date of this Notice, has no definite intention of repurchasing shares of the Company. It is, however, proposed that the Board believes it to be in the best interests of the Company that shareholders pass this resolution so that the Company is able to rely on the authority in the event that unforeseen circumstances should arise that make such a repurchase appropriate.

The Board shall not make any payment in whatever form to acquire any shares issued by the Company as contemplated in special resolution number 4 if, after the Board has considered the effects of the maximum repurchase or payment, there are reasonable grounds for believing that:

- the Company and the Group are, or will, for a period of 12 months after the date of this Notice and for a period of 12 months after the date of the share repurchase, be unable, in the ordinary course of business, to repay their debts as they become due;
- the Company's and the Group's consolidated assets, recognised and measured according to the accounting policies used in the latest audited annual financial statements and International Financial Reporting Standards (IFRS), will not be more than their consolidated liabilities for a period of 12 months after the date of this Notice and for a period of 12 months after making such determination;
- the ordinary share capital and reserves of the Company and the Group will not be adequate for ordinary business purposes for a period of 12 months after the date of this Notice; and
- the Company and Group will not have sufficient working capital to meet its needs for a period of 12 months after the date of this Notice and for a period of 12 months after the date of the share repurchase.

Any repurchases shall comply with the limitations set out in special resolution number 4, the requirements of the Listings Requirements and the Act.

There have been no material changes in the affairs and in the financial or trading position of the Group since the financial period ended 30 September 2020 and the signature date of this Notice.

The directors of the Company, collectively and individually, accept full responsibility for the accuracy of the information contained in special resolution number 4 and certify that to the best of their knowledge and belief there are no other facts, the omission of which would make any statement false or misleading, and that they have made all reasonable queries in this regard and that this Notice contains all information required by law and the Listings Requirements.

The following information, which is required by the Listings Requirements with regard to this special resolution number 4 granting a general authority to the Company to repurchase shares, appears in Annexure 3 of this Notice:

- ▶ Major shareholders;
- ▶ Share capital of the Company; and
- ▶ Directors' interests in securities.

## 4. OTHER BUSINESS

To transact such other business as may be transacted at an AGM or raised by shareholders with or without advance notice to the Company.

## VOTING AND PROXIES

Each ordinary resolution to be considered at the AGM requires the support of more than 50% of the voting rights exercised on the resolution in order to be adopted, unless otherwise stipulated.

Each special resolution to be considered at the AGM requires the support of at least 75% of the voting rights exercised on that resolution, in order to be adopted.

Shareholders who have not dematerialised their shares or have dematerialised their shares, but with 'own name' registration (entitled shareholders), may appoint one or more proxies to attend, speak and vote or abstain from voting in such shareholder's stead at the AGM. A form of proxy is attached for the use of those entitled shareholders who wish to be so represented at the AGM.

Shareholders who have already dematerialised their shares (other than those with 'own name' registration) are required to inform their duly appointed Central Securities Depository Participant (CSDP) or broker, as the case may be, of their intention to attend the AGM and request that their duly appointed CSDP or broker, as the case may be, issue them with the necessary letters of representation to attend or provide their duly appointed CSDP or broker, as the case may be, with their voting instruction should they not wish to attend the Meeting, but wish to be represented thereat.

The attention of the shareholders is drawn to the fact that the completed form of proxy is to reach the Company's transfer secretaries in Johannesburg at least 48 hours before the time appointed for the Meeting for administration purposes (which period excludes Saturdays, Sundays and South African public holidays) but may be emailed to the transfer secretary at any time prior to the commencement of the Meeting provided that such form of proxy and identification must be verified and registered before the commencement of the AGM.

## ELECTRONIC PARTICIPATION

Shareholders or their proxies who wish to participate in the AGM via electronic communication (Participants) must either register online using the online registration portal at [www.smartagm.co.za](http://www.smartagm.co.za); or apply to Computershare, by delivering the duly completed electronic participation form to: First Floor, Rosebank Towers, 15 Biermann Avenue, Rosebank 2196, or posting it to Private Bag x9000, Saxonwold, 2132 (at the risk of the Participant), or sending it by email to [proxy@computershare.co.za](mailto:proxy@computershare.co.za) so as to be received by Computershare by no later than 14:00 on Monday, 15 February 2021. The electronic participation form can be found as an insert in this Notice. Computershare will first validate such request and confirm the identity of the shareholder in terms of section 63(1) of the Act, and, if the request is validated, further details on using the electronic communication facility will be provided. The Company will inform Participants who notified Computershare in accordance with the requirements set out above by no later than 14:00 on Tuesday, 16 February 2021 by email of the relevant details through which Participants can participate electronically.

The cost of electronic participation in the AGM is for the expense of the Participant and will be billed separately by the Participant's own service provider. The Participant acknowledges that the electronic communication services are provided by third parties and indemnifies the Company against any loss, injury, damage, penalty or claim arising in any way from the use or possession of the electronic services, whether or not the problem is caused by any act or omission on the part of the Participant or anyone else. In particular, but not exclusively, the Participant acknowledges that he/she will have no claim against the Company, whether for consequential damages or otherwise, arising from the use of the electronic services or any defect in it or from total or partial failure of the electronic services and connections linking the Participant via the electronic services to the AGM. The Company cannot guarantee there will not be a break in electronic communication that is beyond the control of the Company.

By order of the Board



**Nazrana Hawa**

Company Secretary  
23 December 2020

Registered office  
7th Floor, MontClare Place  
Cnr Campground and Main Roads  
Claremont 7708  
Cape Town  
South Africa



# Annexure 1:

## *Directors' Responsibility Report*

The directors are responsible for the preparation and fair presentation of the consolidated and separate annual financial statements of Coronation Fund Managers Ltd, comprising the statement of financial position at 30 September 2020, and the statement of comprehensive income, the statement of changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies, the directors' report and the Audit and Risk Committee report, in accordance with IFRS and in the manner required by the Act.

The directors' responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. The Board reviews the operation of the system of internal control primarily through the Audit and Risk Committee of Coronation Fund Managers Ltd and various other risk monitoring committees.

The directors' responsibility also includes maintaining adequate accounting records and an effective system of risk management, as well as the preparation of the supplementary schedules included in these financial statements.

The directors have made an assessment of the Group's and Company's ability to continue as a going concern and there is no reason to believe the businesses will not be going concerns in the year ahead.

The auditor is responsible for reporting on whether the consolidated and separate annual financial statements of Coronation Fund Managers Limited are fairly presented in accordance with IFRS and the Act.

### **APPROVAL OF CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS**

The consolidated and separate annual financial statements of Coronation Fund Managers Ltd as identified in the first paragraph for the year ended 30 September 2020 were approved by the Board on 4 December 2020 and are signed on its behalf by:

  
Shams Pather  
Chairman

4 December 2020

  
Anton Pillay  
Chief Executive Officer

4 December 2020

  
Mary-Anne Musekiwa  
Chief Financial Officer

4 December 2020



# Annexure 2:

*The consolidated financial information has been extracted from the audited financial statements. The audited financial statements are available at [www.coronation.com](http://www.coronation.com).*

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2020 R MILLION	2019 R MILLION
<b>Fund management activities</b>		
<b>Revenue</b>	<b>3 642</b>	3 291
Other income	29	22
<b>Total operating expenses</b>	<b>(1 952)</b>	(1 797)
Other expenses	(1)	(1)
Operating expenses	(1 951)	(1 796)
Results from operating activities	1 719	1 516
Finance and dividend income	23	37
Finance expense	(30)	(24)
Share of profit of equity-accounted investees	6	6
<b>Profit from fund management</b>	<b>1 718</b>	1 535
Sundry gains	96	40
<b>Income attributable to policyholder linked assets and investment partnerships</b>	<b>9</b>	4
Net fair value gains on policyholder and investment partnership financial instruments	72	87
Administration expenses borne by policyholders and investors in investment partnerships	(63)	(83)
<b>Profit before income tax</b>	<b>1 823</b>	1 579
<b>Income tax expense</b>	<b>(429)</b>	(383)
Taxation on shareholder profits	(420)	(379)
Taxation on policyholder investment contracts	(9)	(4)
<b>Profit for the year</b>	<b>1 394</b>	1 196
<b>Other comprehensive (losses)/income (to be recycled through profit and loss)</b>	<b>(3)</b>	7
Foreign currency translation differences for foreign operations	(3)	7
<b>Total comprehensive income for the year</b>	<b>1 391</b>	1 203
<b>Profit attributable to:</b>		
– equity holders of the company	1 394	1 196
– non-controlling interest	–	–
<b>Profit for the year</b>	<b>1 394</b>	1 196
<b>Total comprehensive income attributable to:</b>		
– equity holders of the company	1 391	1 203
– non-controlling interest	–	–
<b>Total comprehensive income for the year</b>	<b>1 391</b>	1 203
<b>Earnings per share (cents)</b>		
– basic	<b>398.5</b>	341.9
– diluted	<b>398.5</b>	341.9



## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	2020 R MILLION	2019 R MILLION
<b>Assets</b>		
Intangible assets	1 088	1 088
Equipment	18	18
Lease asset	76	–
Investment in equity accounted investees	41	42
Deferred tax asset	151	126
Investments backing policyholder funds and investments held through investment partnerships	49 473	49 603
Investment securities	1 702	1 145
Taxation receivable	35	–
Trade and other receivables	695	448
Cash and cash equivalents	519	682
<b>Total assets</b>	<b>53 798</b>	<b>53 152</b>
<b>Liabilities</b>		
Long-term borrowings	467	150
Long-term other payables	29	–
Lease liability	108	–
Deferred tax liabilities	44	27
Policyholder investment contract liabilities and liabilities to holders of interests in investment partnerships	49 464	49 598
Short-term portion of long-term borrowings	–	150
External investors in consolidated funds	577	260
Taxation payable	–	38
Trade and other payables	804	748
<b>Total liabilities</b>	<b>51 493</b>	<b>50 971</b>
<b>Net assets</b>	<b>2 305</b>	<b>2 181</b>
<b>Equity</b>		
Share capital and premium	256	256
Retained earnings	1 752	1 609
Reserves	167	169
Total equity attributable to equity holders of the company	2 175	2 034
Non-controlling interest in consolidated funds	130	147
<b>Total equity</b>	<b>2 305</b>	<b>2 181</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	SHARE CAPITAL AND PREMIUM R MILLION	FOREIGN CURRENCY TRANSLATION RESERVE R MILLION	RETAINED EARNINGS R MILLION	SHARE-BASED PAYMENT RESERVE R MILLION	ISSUED CAPITAL AND RESERVES ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY R MILLION	NON- CONTROLLING INTEREST R MILLION	TOTAL EQUITY R MILLION
<b>Balance at 30 September 2018</b>	256	153	1 679	8	2 096	160	2 256
<b>Total comprehensive income for the year</b>							
Profit for the year			1 196		1 196		1 196
<b>Other comprehensive income (available to be recycled through profit and loss)</b>							
Currency translation differences		7			7		7
Total other comprehensive income		7			7		7
<b>Total comprehensive income for the year</b>		7	1 196		1 203		1 203
<b>Transactions with owners recorded directly in equity</b>							
Share-based payments				1	1		1
Dividends paid			(1 266)		(1 266)		(1 266)
Change in non-controlling interest in consolidated funds						(13)	(13)
Total transactions with owners			(1 266)	1	(1 265)	(13)	(1 278)
<b>Balance at 30 September 2019</b>	256	160	1 609	9	2 034	147	2 181
<b>IFRS 16 adjustment</b>			(13)		(13)		(13)
Profit for the year			1 394		1 394		1 394
<b>Other comprehensive income</b>							
Currency translation differences		(3)			(3)		(3)
<b>Total comprehensive income for the year</b>		(3)	1 394		1 391		1 391
<b>Transactions with owners recorded directly in equity</b>				1	1		1
Share-based payments							
Dividends paid			(1 238)		(1 238)		(1 238)
Change in non-controlling interest in consolidated funds						(17)	(17)
Total transactions with owners			(1 238)	1	(1 237)	(17)	(1 254)
<b>Balance at 30 September 2020</b>	256	157	1 752	10	2 175	130	2 305

## CONSOLIDATED STATEMENT OF CASH FLOWS

	2020 R MILLION	2019 R MILLION
<b>Cash flows from operating activities</b>		
Profit from fund management	1 718	1 535
Non-cash and other adjustments	41	7
<b>Operating profit before changes in working capital</b>	1 759	1 542
<b>Working capital changes</b>	(112)	(170)
(Increase)/decrease in trade and other receivables	(213)	17
Increase/(decrease) in trade and other payables	101	(187)
<b>Cash flows from policyholder and investment partnership activities</b>	(99)	54
<b>Cash generated from operations</b>	1 548	1 426
Interest on lease liability paid	(12)	-
Interest paid	(30)	(24)
Income taxes paid	(504)	(325)
<b>Net cash from operating activities</b>	1 002	1 077
<b>Cash flows from investing activities</b>		
Finance and dividend income	23	37
Acquisition of equipment	(12)	(12)
Net (acquisition)/disposal of investment securities	(191)	88
<b>Net cash (utilised in)/ from investing activities</b>	(180)	113
<b>Cash flows from financing activities</b>		
Increase in long-term borrowings	167	-
Dividends paid	(1 238)	(1 266)
Lease liability paid	(10)	-
<b>Net cash utilised in financing activities</b>	(1 081)	(1 266)
<b>Decrease in cash and cash equivalents</b>	(259)	(76)
Net decrease in cash and cash equivalents – shareholders	(160)	(130)
Net (decrease)/increase in cash and cash equivalents – policyholders and investment partnerships	(99)	54
<b>Cash and cash equivalents at beginning of year</b>	6 004	6 073
Cash and cash equivalents at beginning of year – shareholders	682	805
Cash and cash equivalents at beginning of year – policyholders and investment partnerships	5 322	5 268
Effect of exchange rate fluctuations on cash held	(3)	7
<b>Cash and cash equivalents at end of year</b>	5 742	6 004
Cash and cash equivalents at end of year – shareholders	519	682
Cash and cash equivalents at end of year – policyholders and investment partnerships	5 223	5 322

The above cash flows include the policyholder and investment partnership activities. These cash flows represent net contributions and withdrawals by policyholders and investment partnerships and the related investing activities. Cash and cash equivalents of policyholders and investment partnerships are not available for use by the shareholders of the group.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The financial statements are presented in South African rand, rounded to the nearest million. They are prepared on the going concern and historical cost bases except for certain financial instruments which are stated at fair value.

The accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, with the exception of IFRS 16.

The group applied IFRS 16 Leases for the first time. IFRS 16 has resulted in leases previously classified as operating leases under IAS 17 being brought onto the statement of financial position through the raising of a right-of-use asset and lease liability. In its adoption of IFRS 16, the group used the modified retrospective approach with adjustments made to balances at the date of initial application. The group elected to make use of a single discount rate for portfolios of leases with reasonably similar characteristics. Refer to note 20.

These financial statements have been prepared under the supervision of N Salie CA(SA).

## 2. OPERATING SEGMENTS

Segment information is presented in respect of the group's operating segments based on geographical location. The international segment consists of internationally domiciled funds and clients as well as South African clients with international mandates.

Inter-segment pricing is determined on an arm's length basis.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment capital expenditure is the total cost incurred during the year to acquire segment assets that are expected to be used for more than one period.

Each segment's operating profitability is measured based on segment results and the segment's income from fund management.

	AFRICA		INTERNATIONAL		GROUP	
	2020 R MILLION	2019 R MILLION	2020 R MILLION	2019 R MILLION	2020 R MILLION	2019 R MILLION
<b>Segment report</b>						
<b>Fund management</b>						
<b>Segment external revenue</b>	<b>2 331</b>	2 165	<b>1 311</b>	1 126	<b>3 642</b>	3 291
<b>Segment operating expenses</b>	<b>(1 463)</b>	(1 308)	<b>(489)</b>	(489)	<b>(1 952)</b>	(1 797)
Other expenses	(1)	(1)	-	-	(1)	(1)
Operating expenses	(1 462)	(1 307)	(489)	(489)	(1 951)	(1 796)
<b>Segment result</b>	<b>868</b>	857	<b>822</b>	637	<b>1 690</b>	1 494
<b>Segment financial income/(expense)</b>	<b>61</b>	61	<b>(9)</b>	(2)	<b>52</b>	59
Finance and dividend income	22	34	1	3	23	37
Other income/(expense)	39	27	(10)	(5)	29	22
<b>Segment finance expense</b>	<b>(23)</b>	(22)	<b>(7)</b>	(2)	<b>(30)</b>	(24)
<b>Share of profit of equity-accounted investees</b>	<b>6</b>	6	-	-	<b>6</b>	6
<b>Segment income from fund management</b>	<b>912</b>	902	<b>806</b>	633	<b>1 718</b>	1 535

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 2. OPERATING SEGMENTS (continued)

	AFRICA		INTERNATIONAL		GROUP	
	2020 R MILLION	2019 R MILLION	2020 R MILLION	2019 R MILLION	2020 R MILLION	2019 R MILLION
<b>Segment report (continued)</b>						
Sundry gains					96	40
<b>Income attributable to policyholder linked assets and investment partnerships</b>					9	4
Net fair value gains on policyholder and investment partnership financial instruments					72	87
Administration expenses borne by policyholders and investors in investment partnerships					(63)	(83)
<b>Profit before income tax</b>					1 823	1 579
<b>Income tax expense</b>					(429)	(383)
Taxation on shareholder profits					(420)	(379)
Taxation on policyholder investment contracts					(9)	(4)
<b>Profit for the year</b>					1 394	1 196
<b>Attributable to:</b>						
– equity holders of the company					1 394	1 196
– non-controlling interest					–	–
<b>Profit for the year</b>					1 394	1 196
Segment assets	1 901	1 383	1 068	910	2 969	2 293
Lease asset	–	–	–	–	76	–
Intangible assets	–	–	–	–	1 088	1 088
Investment in equity-accounted investee	–	–	–	–	41	42
Deferred tax assets	–	–	–	–	151	126
Investments backing policyholder funds and investments held through investment partnerships	–	–	–	–	49 473	49 603
<b>Total assets</b>	<b>1 901</b>	<b>1 383</b>	<b>1 068</b>	<b>910</b>	<b>53 798</b>	<b>53 152</b>
Segment liabilities	1 698	1 075	179	233	1 877	1 308
Lease liability	–	–	–	–	108	–
Deferred tax liabilities	–	–	–	–	44	27
Policyholder investment contract liabilities and liabilities to holders of interests in investment partnerships	–	–	–	–	49 464	49 598
Taxation payable	–	–	–	–	–	38
<b>Total segment liabilities</b>	<b>1 698</b>	<b>1 075</b>	<b>179</b>	<b>233</b>	<b>51 493</b>	<b>50 971</b>
<b>Major customers</b>						
None of the group's customers individually represent revenue in excess of 10% of the group's total revenue.						

### 3. LONG-TERM BORROWINGS

	2020 R MILLION	2019 R MILLION
Balance at beginning of year	150	300
Received during the year	148	-
Interest accrued	27	21
Interest paid	(27)	(21)
Reclassified as long-term	150	-
Reclassified as short-term	-	(150)
Foreign exchange gains	19	-
	<b>467</b>	150
<b>Short-term portion of long-term borrowings</b>		
Balance at beginning of year	150	-
Reclassified as long-term	(150)	-
Reclassified as short-term	-	150
	-	150

The cumulative redeemable preference shares with dividends linked to prime had capital repayments of R150 million due on 1 April 2020 and 1 April 2021 as separate tranches. These two tranches were combined into one tranche as at 1 April 2020 with the capital payment of R300 million now due on 1 April 2025. The refinanced tranche calculates dividends at a fixed rate payable quarterly.

Additional long-term borrowings at year-end reflect a new term loan facility of R167 million (US\$10 million, as at 30 September 2020) with Standard Bank of South Africa Limited (Standard Bank) entered into on 18 October 2019 for the purposes of funding for a Common Contractual Fund (i.e. CCF, refer to note 23) issued by Coronation Global Fund Managers (Ireland) Limited. The loan facility is at a fixed rate and capital repayment is due on 17 October 2024.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 4. FINANCIAL RISK DISCLOSURES – FAIR VALUE HIERARCHY

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

**Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities.

**Level 2:** Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as closing prices) or indirectly (i.e. derived from closing prices). The majority of Level 2 investments are deposits held with financial institutions. The fair values of these deposits are determined using a discounted cash flow valuation methodology based on market rates, reflecting the time value of money and counter party credit risk. The fair value of policyholder and investment partnership liabilities that are included in Level 2 of the hierarchy are measured with reference to the quoted prices in an active market of the investments underlying the liabilities. Cash and cash equivalent balances along with their related liabilities of R2 286 million (2019: R1 705 million) have been excluded from the below table in current and prior years respectively.

**Level 3:** Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	LEVEL 1 R MILLION	LEVEL 2 R MILLION	LEVEL 3 R MILLION	TOTAL R MILLION
<b>September 2020 (reviewed)</b>				
Investments backing policyholder funds and investments held through investment partnerships	42 459	4 728	-	47 187
Investment securities	1 692	-	10	1 702
	<b>44 151</b>	<b>4 728</b>	<b>10</b>	<b>48 889</b>
Policyholder, external investor and investment partnership liabilities	-	47 755	-	47 755
<b>September 2019 (audited)</b>				
Investments backing policyholder funds and investments held through investment partnerships	43 018	4 880	-	47 898
Investment securities	1 141	-	4	1 145
	<b>44 159</b>	<b>4 880</b>	<b>4</b>	<b>49 043</b>
Policyholder, external investor and investment partnership liabilities	-	48 153	-	48 153

During the current year, a net amount of R126 million in debentures included in Investments backing policy holder funds and investments held through investment partnerships were transferred from Level 1 to Level 2 as these are now considered to be held in an inactive market.

Fair value for all other financial assets and liabilities have not been presented because they are not carried at fair value and their carrying amounts approximate fair value.

## 5. PRINCIPAL SUBSIDIARIES, ASSOCIATES AND UNCONSOLIDATED STRUCTURED ENTITIES – CONSOLIDATED STRUCTURED ENTITIES

A structured entity is an entity in which voting or similar rights are not the dominant factor in deciding control. Structured entities are generally created to achieve a narrow and well-defined objective with restrictions around their ongoing activities.

Depending on the group's power over the activities of the entity and its exposure to and ability to influence its own returns, it may consolidate the entity. In other cases it may sponsor or have exposure to such an entity but not consolidate it.

The group has no equity interest in the following limited liability partnerships, which are consolidated based on control:

- ▶ Coronation Granite Fixed Income Fund Partnership
- ▶ Coronation Granite Plus Fixed Income Fund Partnership
- ▶ Coronation Multi-Strategy Arbitrage Fund Partnership
- ▶ Coronation Presidio Fund Partnership

Details regarding the group's contractual commitments to these partnerships are included in note 21.

The group consolidates both the Coronation Global Frontiers Fund and the Coronation Global Equity Select [ZAR] Feeder Fund due to the seed capital invested in the funds relative to the total fund size being significant. In the current year the group seeded the Coronation Global Sustainable Equity Income Fund and is the largest unitholder of the fund. The group's interest in the Coronation Global Frontiers Fund is 57% (2019: 53%); its interest in Coronation Global Equity Select [ZAR] Feeder Fund is 40% (2019: 55%) and its interest in the Coronation Global Sustainable Equity Income Fund is 100%.

## 6. COMMITMENTS, CONTINGENT LIABILITIES AND GUARANTEES

### Guarantees

Coronation Management Company (RF) Proprietary Limited is the disclosed partner in the Coronation Granite Fixed Income, the Coronation Granite Plus Fixed Income, the Coronation Multi-Strategy Arbitrage and the Coronation Presidio Limited Liability partnerships. As the disclosed partner, these companies are liable to third parties for all the liabilities of the partnership over and above the capital contributions, and future income which accrues to the partners as well as the retained and current profits and assets of the partnerships. The other partners have no further liability for further contributions, or to incur any liability to any third party over and above their contributions. Based on current performance the probability of payment is insignificant.

All portfolio risk inherent within the investment partnerships is managed within the general risk parameters and controls as set out in the Risk Management section of the group's integrated report. In addition, Coronation Investment Management (South Africa) group stands guarantor for the term loan facility of US\$10 million with Standard bank (refer to note 17).

### Contingent liabilities: South Africa Revenue Service (SARS) matters

From time to time, in common with other organisations, the group is subject to review by SARS. The group has been the subject of a review on a matter of principle relating to international operations, and assessed for the 2012 to 2017 financial periods, to which management strongly disagrees and has objected. Management is confident, supported by external advisors, of the group's position and an outflow is not considered probable when the matter is interpreted by a court of law, the ultimate tax authority on these matters. This matter had been set down in the Western Cape Tax Court for December 2020, however, this has subsequently been revised to February 2021. Any amounts involved are currently not considered capable of reliable estimation.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 7. EARNINGS PER SHARE

	2020 CENTS	2019 CENTS			
<b>BASIC EARNINGS PER SHARE (CENTS)</b>					
Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted number of ordinary shares in issue during the year.	<b>398.5</b>	341.9			
	<b>NUMBER '000</b>	<b>NUMBER '000</b>			
Issued ordinary shares at beginning of year	<b>349 799</b>	349 799			
Weighted average number of ordinary shares in issue during the year	<b>349 799</b>	349 799			
<b>Adjusted weighted number of ordinary shares potentially in issue</b>	<b>349 799</b>	349 799			
	<b>R MILLION</b>	<b>R MILLION</b>			
Earnings attributable to shareholders	<b>1 394</b>	1 196			
Non-controlling interest	-	-			
<b>Earnings attributable to ordinary shareholders</b>	<b>1 394</b>	1 196			
	<b>2020 CENTS</b>	<b>2019 CENTS</b>			
<b>Diluted earnings per share (cents)</b>					
Diluted earnings per share is calculated by dividing the earnings attributable to ordinary shareholders, adjusted for the effects of dilutive ordinary potential shares, by the weighted average number of shares in issue during the year plus the weighted average number of ordinary shares potentially in issue.	<b>398.5</b>	341.9			
	<b>R MILLION</b>	<b>R MILLION</b>			
Earnings attributable to shareholders	<b>1 394</b>	1 196			
<b>Diluted earnings attributable to ordinary shareholders</b>	<b>1 394</b>	1 196			
<b>Headline earnings per share (cents)</b>					
Headline earnings per share has been calculated in accordance with the circular titled Headline Earnings issued by the South African Institute of Chartered Accountants					
	<b>PROFIT BEFORE TAX R MILLION</b>	<b>TAX R MILLION</b>	<b>NON- CONTROLLING INTEREST R MILLION</b>	<b>EARNINGS ATTRIBUTABLE TO ORDINARY SHAREHOLDERS R MILLION</b>	<b>PER SHARE CENTS</b>
<b>2020</b>					
Per the financial statements	<b>1 823</b>	<b>(429)</b>	-	<b>1 394</b>	<b>398.5</b>
<b>Headline earnings</b>	<b>1 823</b>	<b>(429)</b>	-	<b>1 394</b>	<b>398.5</b>
<b>Diluted headline earnings per share (cents)</b>				<b>1 394</b>	<b>398.5</b>
<b>2019</b>					
Per the financial statements	1 579	(383)	-	1 196	341.9
<b>Headline earnings</b>	1 579	(383)	-	1 196	341.9
<b>Diluted headline earnings per share (cents)</b>				1 196	341.9
<b>DIVIDENDS PER SHARE</b>	<b>2020 CENTS</b>	<b>2019 CENTS</b>			
Dividend distribution					
- interim: declared 26 May 2020 (2019: 17 May 2019)	<b>178</b>	165			
- final: declared 24 November 2020 (2019: 15 November 2019)	<b>205</b>	176			
<b>Total dividend</b>	<b>383</b>	341			

## 8. RECONCILIATION OF FUND MANAGEMENT EARNINGS

Fund management earnings are used by management to measure operating financial performance, which excludes the net impact of fair value gains and losses and related foreign exchange on investment securities held by the group. In management's view, this measure represents the earnings from core business activities of the group, being fund and investment management activities.

The calculation of fund management earnings is based on headline earnings attributable to ordinary shareholders, adjusted for the after tax and after bonus impact of sundry gains or losses disclosed in the consolidated statement of comprehensive income. These sundry gains and losses include the fair value and foreign exchange movements on investment securities disclosed in the consolidated statement of financial position.

	2020 R MILLION	2019 R MILLION
Headline earnings attributable to ordinary shareholders	1 394	1 196
Sundry gains (consolidated statement of comprehensive income)	(96)	(40)
Related tax (28% at capital gains inclusion rate) and bonus impact	42	18
Earnings from fund management	<b>1 340</b>	1 174
Fund management earnings per share (cents)	<b>383.1</b>	335.5
Diluted fund management earnings per share (cents)	<b>383.1</b>	335.5



# Annexure 3:

## Analysis of shareholders

DISTRIBUTION OF SHAREHOLDERS		NUMBER OF SHAREHOLDERS	%	NUMBER OF SHARES	%
1	- 1 000 shares	10 613	53.91	4 552 117	1.30
1 001	- 10 000 shares	7 413	37.65	23 533 749	6.73
10 001	- 100 000 shares	1 295	6.58	38 964 350	11.14
100 001	- 1 000 000 shares	302	1.53	88 130 575	25.19
1 000 001	shares and over	64	0.33	194 618 311	55.64
		19 687	100.00	349 799 102	100.00

DISTRIBUTION OF SHAREHOLDERS		NUMBER OF SHAREHOLDERS	%	NUMBER OF SHARES	%
Banks		31	0.16	4 162 845	1.19
Brokers		32	0.16	7 392 683	2.11
Close Corporations		102	0.52	436 123	0.12
Endowment Funds		60	0.31	1 747 173	0.50
Individuals		15 584	79.16	44 357 399	12.68
Insurance Companies		178	0.90	10 269 868	2.94
Medical Aid Schemes		31	0.16	966 957	0.28
Mutual Funds		579	2.94	110 982 011	31.73
Nominees and Trusts		1 801	9.15	8 685 649	2.48
Other Corporations		16	0.08	2 537 401	0.73
Pension Funds		615	3.12	59 580 664	17.03
Private Companies		463	2.35	5 911 267	1.69
Staff Holdings		187	0.95	88 110 329	25.19
Sovereign Wealth Funds		8	0.04	4 658 733	1.33
		19 687	100.00	349 799 102	100.00

PUBLIC/NON-PUBLIC SHAREHOLDERS		NUMBER OF SHAREHOLDERS	%	NUMBER OF SHARES	%
<b>Non-public shareholders</b>		188	0.96	94 437 745	27.00
Directors (direct and indirect holdings)		6	0.03	12 041 896	3.44
Shares held by staff		182	0.93	82 395 849	23.56
<b>Public shareholders</b>		19 499	99.04	255 361 357	73.00
		19 687	100.00	349 799 102	100.00

GEOGRAPHICAL OWNERSHIP		NUMBER OF SHAREHOLDERS	%	NUMBER OF SHARES	%
South Africa		19 288	97.97	285 198 478	81.53
International		399	2.03	64 600 624	18.47
		19 687	100.00	349 799 102	100.00

SHAREHOLDERS WITH DIRECT OR INDIRECT BENEFICIAL INTEREST OF 5% OR MORE IN SHARES		NUMBER OF SHARES	%
Government Employees Pension Fund		37 622 380	10.76
The Invula Trust		27 106 470	7.75
Allan Gray		21 299 637	6.09
Louis Stassen		18 190 858	5.20

	2020 R MILLION	2019 R MILLION
<b>SHARE CAPITAL</b>		
<b>Authorised</b>		
750 000 000 (2019: 750 000 000) ordinary shares of 0.01 (2019: 0.01) cent per share	75	75
Issued, allotted and fully paid		
	NUMBER (‘000)	NUMBER (‘000)
<b>Number of ordinary shares</b>		
At beginning of year	349 799	349 799
Issued during the year	-	-
At end of year	349 799	349 799
	R MILLION	R MILLION
Share capital and premium	256	256

#### Unissued shares

Unissued shares are under the control of the directors until the forthcoming annual general meeting.

Shareholders with a direct or indirect beneficial interest of 5% or more in shares are disclosed on page 55 of the Group annual financial statements and on page 28 of this Notice to Shareholders.

#### DIRECTORS' INTEREST

There were no material contracts entered into during the financial year in which a director or officer of the company had any interest.

The directors' direct and indirect beneficial interests in the issued share capital of the company were:

	BENEFICIAL		
	DIRECT	INDIRECT	%
<b>2020</b>			
<b>Ordinary shares</b>			
Anton Pillay*	506 557	4 190 344	1.34
Hugo Nelson**	1 060 546	5 266 870	1.81
Mary-Anne Musekiwa	-	29 709	0.01
<b>2019</b>			
<b>Ordinary shares</b>			
Anton Pillay	443 549	4 238 756	1.34
Hugo Nelson	3 751 046	2 576 370	1.81
Mary-Anne Musekiwa	-	25 278	0.01
John Snalam***	562 486	8001	0.16

\* A trust in which the director is beneficiary and is therefore an associate of the director, has a 51% interest in a company which has an outstanding loan facility of R4.7 million as at 30 September 2020, with a remaining term of 2.2 years. The company owned by the trust has pledged 19 727 Coronation shares with a value of R764 619, as security for the loan facility.

\*\* 670 700 shares to the value of R27 million are pledged as security against a R18 million loan facility with a remaining term of 6.2 years as at 30 September 2020; 613 645 shares to the value of R25 million are pledged as security against a R11 million interest only facility with no fixed term as at 30 September 2020; and 1 125 470 shares to the value of R45 million are pledged as security against a R16 million interest only facility with no fixed term as 30 September 2020.

\*\*\* John Snalam resigned as Chief Financial Officer and Financial Director effective 12 June 2019.



# Annexure 4:

## *Directors up for re-election and confirmation of appointment*

### **Judith February**

Independent non-executive director, 49

*BA (Law), LLB, LLM (UCT)*

Judith is an attorney based at Corruption Watch and a Visiting Fellow at the Wits School of Governance. Prior to that, Judith headed up the Institute for Democratic Alternatives South Africa's South African governance programme. She practised law in Cape Town until 2000 and holds an LLM in Commercial Law from the University of Cape Town. Judith also is a Conflict Dynamics accredited commercial mediator. She is a regular media analyst on South African politics and writes columns for Eyewitness News and Daily Maverick. She is the author of *Turning and Turning: exploring the complexities of South Africa's democracy*, published by Pan Macmillan in August 2018. Judith is also a Trustee of the Nelson Mandela Foundation. She was appointed to the Board in August 2008.

### **Anton Pillay**

CEO, 51

*BBusSc, CA(SA), CFA, AMP (Harvard)*

Anton was appointed CEO of Coronation Fund Managers in February 2013 and has been a member of the Board since June 2009. He joined Coronation in January 2006 from BoE (Pty) Ltd, where he held a number of key positions and directorships. Anton has extensive knowledge and experience of the investment and banking industry. He is a director of various Coronation subsidiaries, and also serves as chairperson of Namibia Asset Management and on the board of PPS Investments. Anton is a director of ASISA.

### **John "Jock" McKenzie**

Independent non-executive director, 73

*BSc (Chem Eng), MA (Lancaster)*

Jock is a member of the board of Capitec Bank Holdings Limited. He chairs the board of trustees of the Carleton Lloyd Educational Trust and the Rondebosch Boys' Schools Education Trust. Jock held several senior executive positions globally and in South Africa. In 1999, he was appointed chairman and CEO of the Caltex Corporation, and served as president for Asia, Middle East and Africa Products of the Chevron Texaco Corporation from October 2001 to January 2004. Jock was appointed to the Board in May 2009.

## **Neil Brown**

**Independent non-executive director, 55**

*Nat Dip Company Admin, MBA (Finance)*

Neil was appointed as an independent non-executive director of the Company on 19 October 2020. Neil has a National Diploma in Company Administration and a Master of Business Administration in Finance, with 28 years of experience as a South African-based fund manager and equity analyst. Neil previously worked at Syfrets Managed Assets, Nedcor Investment Bank and Old Mutual Investment Group, where he was co-head of the Electus boutique, after which he was the co-founder and co-head of the independent Electus Fund Managers.

## **Phakamani Hadebe**

**Independent non-executive director, 53**

*MA Economics (KZN), MA Rural Development (Sussex)*

Phakamani was appointed as an independent non-executive director of the Company on 19 October 2020. He has a Master's in Economics from the University of Durban-Westville, a Master's in Arts in Rural Development from the University of Sussex, is an alumnus of the Wharton Business School and the IMF Institute. He has served in senior management positions in both the public and private sectors. Most recently he served as the group chief executive of Eskom Holdings. Before that he was the CEO of Corporate and Investment Banking (SA) at Barclays Africa and the CEO for the Land and Agricultural Bank. Phakamani also worked in the National Treasury for 13 years serving as Head of Assets and Liabilities from 2003 to 2008. Phakamani is also consulting for the IMF and the United Nations Economic Community of Africa on financial markets.

## **Saks Ntombela**

**Independent non-executive director, 53**

*BSc Mechanical Engineering (Natal), MBA (UCT), AMP (Harvard)*

Saks was appointed as an independent non-executive director of the Company on 19 October 2020. Saks serves as the group CEO of Hollard Insurance (Hollard). Prior to joining Hollard, Saks served as the head of Retail Banking Product and Segments at ABSA and held a number of executive positions at Nedbank. He holds a Bachelor of Science in Mechanical Engineering from the University of Natal. Saks is also a graduate of the University of Cape Town's Graduate School of Business. More recently, he also completed the Advanced Management Programme at the Harvard Business School in Boston.



# Annexure 5:

## *Members of the Audit and Risk Committee*

### **Alexandra Watson**

**Lead independent non-executive director, 64**

*BCom (Hons), CA(SA)*

Alexandra is an emeritus professor of the University of Cape Town, having retired in 2018 after decades of teaching postgraduate financial reporting. She is a former chairman of the Accounting Practices Committee, the Technical Accounting Committee of the South African Institute of Chartered Accountants (SAICA), and is the chairman of the Financial Reporting Investigations Panel (an advisory panel of financial reporting experts formed by a joint venture of the JSE and SAICA). In April 2018, Alexandra was appointed as an independent director of Steinhoff International Holdings N.V. She is a former vice chairman of the board of the Global Reporting Initiative, an Amsterdam-based organisation promoting understanding and communication of sustainability issues and is a director of the board of WWF-SA.

### **Lulama Boyce**

**Independent non-executive director, 42**

*BCom (Hons), CA(SA), MCom, Financial Management (UJ)*

Lulama is the head of the Department of Commercial Accounting at the University of Johannesburg. She is also a member of the board of Adcock Ingram Holdings Ltd. She graduated from the University of Cape Town in 2002 and served her articles at Grant Thornton Johannesburg. She is a former account manager of the Industrial Development Corporation (IDC) and was part of the transport and financial services business unit from 2008 to 2011. She is a former project finance consultant and served on the audit committee of Automotive Supplier Park (ASP) from 2007 to 2009. Lulama was appointed to the Board in October 2014 and is an independent non-executive director of Coronation Management Company (RF) (Pty) Ltd and Coronation Life Assurance Company Ltd.

### **Jock McKenzie**

**Independent non-executive director, 73**

*BSc (Chem Eng), MA (Lancaster)*

Jock is a member of the board of Capitec Bank Holdings Limited. He chairs the board of trustees of the Carleton Lloyd Educational Trust and the Rondebosch Boys' Schools Education Trust. Jock held several senior executive positions globally and in South Africa. In 1999, he was appointed chairman and CEO of the Caltex Corporation, and served as president for Asia, Middle East and Africa Products of the Chevron Texaco Corporation from October 2001 to January 2004. Jock was appointed to the Board in May 2009.

### **Hugo Nelson**

**Independent non-executive director, 50**

*MBChB, MBA (Oxon), CFA*

Hugo is founding partner of Fortitudine Vincimus Capital Advisors (Pty) Ltd. He is former CEO of Coronation Fund Managers, prior to which he was a member of the investment team of the business for eight years. Hugo is a medical doctor who found his way into investment management via an MBA completed at Oxford University. He is a CFA charterholder. Hugo is a trustee of the DG Murray Trust, an independent director of Steinhoff International Holdings N.V. and a patron of George Whitfield College. Hugo was appointed to the Board in November 2016.



# Participation in the AGM via electronic communication

CAPITALISED TERMS USED IN THIS FORM SHALL BEAR THE MEANINGS ASCRIBED THERETO IN THE NOTICE OF AGM TO WHICH THIS PARTICIPATION FORM IS ATTACHED

1. **Shareholders or their duly appointed proxy(ies) that wish to participate in the AGM via electronic communication (Participants), must either register online using the online registration portal at [www.smartagm.co.za](http://www.smartagm.co.za); or apply to Computershare, by delivering this duly completed Form to:** Rosebank Towers, First Floor, 15 Biermann Avenue, Rosebank 2196, or posting it to Private Bag x9000, Saxonwold, 2132 (at the risk of the Participant), or by email to [proxy@computershare.co.za](mailto:proxy@computershare.co.za) so as to be received by Computershare by no later than 14:00 on Monday, 15 February 2021. Computershare will first validate such requests and confirm the identity of the shareholder in terms of section 63(1) of the Companies Act, and, if the request is validated, further details on using the electronic communication facility will be provided.

2. **Important notice**

The Company shall, by no later than 14:00 on Tuesday, 16 February 2021, notify Participants that have delivered valid notices in the form of this Form, by email of the relevant details through which Participants can participate electronically.

<b>Application form</b>
Full name of Participant:
ID number:
Email address:
Cell number:
Telephone number:
Name of CSDP or broker (if shares are held in dematerialised format):
Contact number of CSDP/broker:
Contact person of CSDP/broker:
Number of share certificate (if applicable):
Signature:
Date:

## Terms and conditions for participation in the AGM via electronic communication

1. The cost of electronic participation in the AGM is for the expense of the Participant and will be billed separately by the Participant's own service provider.
2. The Participant acknowledges that the electronic communication services are provided by third parties and indemnifies the Company against any loss, injury, damage, penalty or claim arising in any way from the use or possession of the electronic services, whether or not the problem is caused by any act or omission on the part of the Participant or anyone else. In particular, but not exclusively, the Participant acknowledges that he/she will have no claim against the Company, whether for consequential damages or otherwise, arising from the use of the electronic services or any defect in it or from total or partial failure of the electronic services and connections linking the Participant via the electronic services to the AGM.
3. The application to participate in the AGM electronically will only be deemed successful if this application form has been completed fully and signed by the Participant.
4. The Company cannot guarantee there will not be a break in electronic communication that is beyond the control of the Company.

Participant's name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_





# Company information

## Annual general meeting:

Wednesday, 17 February 2021 at 14:00

**Share code (ordinary shares):** CML

**ISIN:** ZAE000047353

**LEI:** 3789001BC9A294E6FF77

## Board of Directors

### Executive directors:

Mr Anton Pillay (CEO)

Ms Mary-Anne Musekiwa (CFO)

### Non-executive directors:

Mr Shams Pather (Chairman)\*

Mrs Lulama Boyce\*

Ms Judith February\*

Mr Jock McKenzie\*

Dr Hugo Nelson\*

Prof Alexandra Watson\*

Mrs Madichaba Nhlumayo\*

Mr Neil Brown<sup>1</sup>\*

Mr Phakamani Hadebe<sup>1</sup>\*

Mr Saks Ntombela<sup>1</sup>\*

<sup>1</sup> Appointed to the Board 19 October 2020.

\* Independent non-executive directors.

## Company Secretary

Ms Nazrana Hawa

## Registered office

7th Floor, MontClare Place  
Cnr Campground and Main Roads  
Claremont 7708  
Cape Town

## Postal address

PO Box 44684  
Claremont 7735

## Transfer secretaries

Computershare Investor Services (Pty) Ltd  
Rosebank Towers  
15 Biermann Avenue  
Rosebank 2196  
Private Bag x9000, Saxonwold 2132

## Auditors

Ernst & Young Inc.  
3rd Floor, Waterway House  
3 Dock Road  
V&A Waterfront  
Cape Town 8001

KPMG Inc.\*  
The Halyard  
4 Christiaan Barnard Street  
Foreshore  
Cape Town  
8001

\* Appointed as auditors as from the year ending  
30 September 2021, subject to approval by  
shareholders at the 2021 AGM.

## Sponsor

PSG Capital Proprietary Limited  
(Registration number: 2006/015817/07)  
1st Floor  
Ou Kollege Building  
35 Kerk Street  
Stellenbosch 7600  
(PO Box 7403, Stellenbosch 7599)

and

2nd Floor, Building 3  
11 Alice Lane  
Sandhurst  
Sandton 2196  
(PO Box 650957, Benmore 2010)

### Disclaimer

All information and opinions herein are of a general nature and are not intended to address the circumstances of any particular individual or entity. Accordingly, there may be limitations as to the appropriateness of any such information and opinions. It is therefore recommended that the reader first obtain the appropriate legal, tax, investment or other professional advice prior to acting upon information or opinions. Neither Coronation Fund Managers Ltd nor any subsidiary of Coronation Fund Managers Ltd (collectively "Coronation") is acting, purporting to act nor is it authorised to act in any way as an adviser. Any information or opinions contained herein may change and are expressed in good faith. Coronation does not undertake to advise any person if such information or opinions should change or become inaccurate. This document is for information purposes only and does not constitute or form part of any offer to the public to issue or sell, or any solicitation of any offer to subscribe for or purchase an investment, nor shall it or the fact of its distribution form the basis of, or be relied upon in connection with any contract for investment. In the event that specific unit trusts, funds and/or strategies (collectively "funds") and/or their performance is mentioned, please refer to the relevant fact sheet and/or MDD in order to obtain all the necessary information regarding that fund ([www.coronation.com](http://www.coronation.com)). Fund investments should be considered a medium- to long-term investment. The value of investments may go down as well as up, and is therefore not guaranteed. Past performance is not necessarily an indication of future performance. Fluctuations or movements in exchange rates may cause the value of underlying investments to go up or down. Funds are allowed to engage in scrip lending and borrowing. Performance is calculated by Coronation for a lump sum investment with income distributions, to the extent applicable, re-invested. Coronation Fund Managers Ltd is a full member of the Association for Savings and Investment South Africa (ASISA). Coronation Asset Management (Pty) Ltd (FSP 548), Coronation Investment Management International (Pty) Ltd (FSP 45646) and Coronation Alternative Investment Managers (Pty) Ltd (FSP 49893) are authorised financial services providers. Coronation Life Assurance Company Ltd is a licensed insurer under the Insurance Act, No.18 of 2017.



# Form of proxy

Coronation Fund Managers Ltd  
(Incorporated in the Republic of South Africa)  
(Registration number: 1973/009318/06)  
ISIN: ZAE000047353 Share code: CML  
LEI: 3789001BC9A294E6FF77  
(the Company)

For use at the 47th annual general meeting of shareholders of the Company to be held entirely electronically on Wednesday, 17 February 2021 at 14:00 and any cancellation, postponement and adjournment thereof (the AGM).

To be completed by certificated shareholders and dematerialised shareholders with 'own name' registration only.

I/We \_\_\_\_\_

of (address) \_\_\_\_\_

Telephone number: \_\_\_\_\_ Cellphone number: \_\_\_\_\_

Email address: \_\_\_\_\_

being a shareholder of the abovementioned company

and holding \_\_\_\_\_ (number of shares)

hereby appoint (1) \_\_\_\_\_ or failing him/her,

(2) \_\_\_\_\_ or failing him/her,

the chairperson of the AGM, as my/our proxy to vote for me/us on my/our behalf at the AGM for the purpose of considering and, if deemed fit, passing, with or without modification, the ordinary resolutions and special resolutions proposed thereat and at each adjournment thereof and to vote for and/or against the resolutions and/or abstain from voting in respect of the shares registered in my/our name(s).

		Mark with an X whichever is applicable		
I/We desire to vote and/or abstain from voting as follows:		Vote for	Vote against	Abstain
<b>Ordinary resolutions</b>				
1.	Re-election of directors:			
	a) To re-elect Ms Judith February as director			
	b) To re-elect Mr Anton Pillay as director			
	c) To re-elect Mr John (Jock) McKenzie as director			
2.	To confirm the appointment of the following directors:			
	a) Mr Neil Brown			
	b) Mr Phakamani Hadebe			
	c) Mr Saks Ntombela			
3.	To appoint KPMG Inc. as the Company's registered auditor and to note Mr Zola Beseti as the designated audit partner			
4.	Re-election of Audit and Risk Committee members each by way of a separate vote:			
	a) To re-elect Prof Alexandra Watson			
	b) To re-elect Mrs Lulama Boyce			
	c) To re-elect Mr John David (Jock) McKenzie			
	d) To re-elect Dr Hugo Anton Nelson			
5.	Non-binding advisory vote on the Company's Remuneration Policy			
6.	Non-binding advisory vote on the Company's Remuneration Policy Implementation Report			
<b>Special resolutions</b>				
1.	Intercompany financial assistance			
2.	Financial assistance for intercompany share or option transactions			
3.	Remuneration of non-executive directors			
4.	Share repurchases by the Company and its subsidiaries			

Unless otherwise directed, the proxy will vote or abstain, as he or she thinks fit, in respect of the shareholder's total holding.

Any shareholder entitled to attend, speak and vote at the AGM is entitled to appoint a proxy or proxies to attend, speak, act and, on a poll, vote in his or her stead. The proxy so appointed need not be a shareholder of the Company.

By ticking this box the shareholder consents to their voting pattern being disclosed to the Company.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_\_

Signature/s \_\_\_\_\_

Assisted by me (where applicable)

## Shareholders holding certificated shares or dematerialised shares registered in their own name

1. Only shareholders who hold certificated shares and shareholders who have dematerialised their shares with own name registration may use this form of proxy.
2. Each shareholder is entitled to appoint one or more proxies (none of whom need be a shareholder of the Company) to attend, speak and, on a poll, vote in place of that shareholder at the AGM, by inserting the name of the proxy or the names of two alternate proxies of the shareholder's choice in the space provided, with or without deleting "the chairperson of the AGM". The person whose name stands first on the form of proxy and who is present at the AGM will be entitled to act as the proxy to the exclusion of those whose names follow.
3. A shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by that shareholder in the appropriate box(es) provided or by marking an 'X' in the appropriate box(es). Failure to comply with the above will be deemed to authorise the proxy to vote or to abstain from voting at the AGM, as he deems fit, in respect of all the shareholder's votes exercisable thereat.
4. A shareholder or his proxy is not obliged to vote in respect of all the shares held or represented by him, but the total number of votes for or against the resolutions or in respect of which any abstention is recorded may not exceed the total number of votes to which the shareholder or his proxy is entitled.
5. Forms of proxy must be lodged and/or posted to the Company's transfer secretaries (Computershare Investor Services (Pty) Ltd) at Rosebank Towers, 15 Biermann Avenue, Rosebank 2196 (Private Bag X9000, Saxonwold, 2132), or emailed to proxy@computershare.co.za so as to be received by the transfer secretaries by not later than 14:00 on Monday, 15 February 2021 or provided that any form of proxy not delivered to the transfer secretaries by this time and date may be emailed to the transfer secretaries (who will provide same to the chairperson of the AGM) at any time before the appointed proxy exercises any shareholder rights at the AGM.
6. The completion and return of this form of proxy in accordance with point 5 above will not preclude the relevant shareholder from attending the AGM and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such shareholder wish to do so.
7. A minor must be assisted by the minor's parent or guardian, unless the relevant documents establishing the minor's capacity are produced or have been registered by the Company.
8. Any alterations or corrections to this form of proxy must be initialed by the signatory(ies).
9. This form of proxy must be signed by all joint shareholders. If more than one of those shareholders is present at the AGM either in person or by proxy, the person whose name stands first in the register shall alone be entitled to vote.
10. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the Company's transfer office or waived by the chairperson of the AGM.
11. The chairperson of the AGM may reject or accept any form of proxy which is completed and/or received other than in accordance with these instructions, provided that he is satisfied as to the manner in which a shareholder wishes to vote.

## Shareholders holding dematerialised shares

1. Shareholders who have dematerialised their shares through a central securities depository participant (CSDP) or broker (except those shareholders who have elected to dematerialise their shares with own name registration) and all beneficial shareholders holding their shares (dematerialised or certificated) through a nominee should provide such CSDP, broker or nominee with their voting instructions in sufficient time to allow them to advise the transfer secretaries of the Company of their voting instructions before the closing time as detailed in point 5 above.
2. All such shareholders wishing to attend the AGM in person may do so only by requesting their CSDP, broker or nominee to issue the shareholder with a letter of representation in terms of the custody agreement. Such letter of representation must also be lodged with the transfer secretaries or the chairperson before the closing time as detailed in point 5 above.

## Summary of the rights of a shareholder to be represented by proxy

Shareholders' rights regarding proxies in terms of section 58 of the Act are as follows:

- ▶ At any time, a shareholder of a company may appoint any individual, including an individual who is not a shareholder of that company, as a proxy to:  
(i) participate in, and speak and vote at, a shareholders meeting on behalf of the shareholder; or (ii) give or withhold written consent on behalf of the shareholder to a decision contemplated in section 60 of the Act.

A proxy appointment:

- ▶ must be in writing, dated and signed by the shareholder; and
- ▶ remains valid for:
  - one year after the date on which it was signed; or
  - any longer or shorter period expressly set out in the appointment unless it is revoked in a manner contemplated in subsection 58(4)(c); or expires earlier as contemplated in subsection 58(8)(d) of the Act.

Except to the extent that the MOI of a company provides otherwise:

- ▶ a shareholder of that company may appoint two or more persons concurrent as proxies, and may appoint more than one proxy to exercise voting rights attached to the different securities held by the shareholder;
- ▶ a proxy may delegate the proxy's authority to act on behalf of the shareholder to another person, subject to any restriction set out in the instrument appointing the proxy; and
- ▶ a copy of the instrument appointing a proxy must be delivered to the company, or to any other person on behalf of the company, before the proxy exercises any rights of the shareholder at a shareholders meeting.

Irrespective of the form of instrument used to appoint a proxy:

- ▶ the appointment is suspended at any time and to the extent that the shareholder chooses to act directly and in person in the exercise of any rights as a shareholder;
- ▶ the appointment is revocable unless the proxy appointment expressly states otherwise; and if the appointment is revocable, a shareholder may revoke the proxy appointment by:
  - cancelling it in writing, or making a later inconsistent appointment of a proxy; and
  - delivering a copy of the revocation instrument to the proxy and to the company.
- ▶ the revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as at the later of (i) the date stated in the revocation instrument (if any); or (ii) the date on which the revocation instrument was delivered to the proxy and the company (as contemplated above).
- ▶ the appointment is revocable unless the proxy appointment expressly states otherwise; and if the appointment is revocable, a shareholder may revoke the proxy appointment by:
  - cancelling it in writing, or making a later inconsistent appointment of a proxy; and
  - delivering a copy of the revocation instrument to the proxy and to the company.

The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder.

**TRUST IS EARNED™**

**CAPE TOWN**

7th Floor, MontClare Place  
Cnr Campground and Main Roads  
Claremont 7708

PO Box 44684 Claremont 7735  
Telephone: +27 (0)21 680 2000  
Fax: +27 (0)21 680 2100

**PRETORIA**

6th Floor, Menlyn Central  
125 Dallas Avenue  
Waterkloof Glen 0010

Telephone: +27 (0)12 990 9040  
Fax: +27 (0)12 991 6079

**DURBAN**

Suite 6, 15 The Boulevard  
Westway Office Park  
Westville 3635

Telephone: +27 (0)87 354 0508

**JOHANNESBURG**

Unit 24, 3rd Floor, Building 2  
Oxford and Glenhove  
114 Oxford Road  
Houghton 2196

Telephone: +27 (0)11 328 8200  
Fax: +27 (0)11 684 2187

**LONDON**

7th Floor, St Albans House,  
57-59 Haymarket  
London SW1Y 4QX, United Kingdom

Telephone: +44 (0)207 389 8840  
Fax: +44 (0)207 389 8899

**DUBLIN**

Suite One, 2 Grand Canal Square  
Macken Street  
Dublin D02 A342, Ireland

Telephone: +353 (0)1 674 5410  
Fax: +353 (0)1 674 5411